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SUBJECT: MALAYSIA: 2009-2010 INTERNATIONAL NARCOTICS
CONTROL STRATEGY REPORT (INCSR), PART 1

REF: STATE 097309

¶1. Per reftel instructions, Post submits the following text
for the 2009-2010 INCSR, Part 1.

BEGIN TEXT:

Malaysia

¶I. Summary

Malaysia is not a significant source country or transit point for U.S.-bound illegal drugs; however, domestic drug abuse in Malaysia remains on the rise, and Malaysia is increasingly being used as a regional hub for methamphetamine production. The government continues promoting its "drug-free by 2015" policy. Malaysia's counter-narcotics officials and police officers have the full support of senior government officials, but systemic problems with the legal system hinder the overall effectiveness of enforcement and interdiction efforts. Malaysia has a low conviction rate for arrested drug traffickers, and the country relies heavily on preventive detention under the Dangerous Drugs Act (Special Preventive Measures 1985) rather than active prosecution. The extensive use of preventive detention in narcotics cases in lieu of prosecution is due in large part to an extremely high burden of proof required for narcotics trafficking cases which would result in a death sentence in the case of a guilty verdict. As there are no alternative sentences, authorities rely on preventive detention without trial.

II. Status of Country

Malaysia is not a significant source country or transit point for U.S.-bound illegal drugs. Nevertheless, regional and domestic drug-trafficking remains a problem and international drug syndicates are increasingly turning to Malaysia as a regional production hub for crystal methamphetamine and Ecstasy (MDMA). Narcotics imported to Malaysia include heroin and marijuana from the Golden Triangle area (Thailand, Burma, Laos), and other drugs such as amphetamine type stimulants (ATS). Small quantities of cocaine are smuggled into and through Malaysia from South America. Local demand and consumption of drugs is very limited in Malaysia; however, crystal methamphetamine, ecstasy, and Ketamine, mostly from India, are smuggled through Malaysia en route to consumers in Thailand, Japan, Indonesia, Singapore, China, and Australia. Ketamine from India continues to be an increasingly popular drug in Malaysia. Since 2006, Malaysia has also been a location where significant quantities of crystal methamphetamine are produced. This trend continued in 2009, with methamphetamine laboratories seized in Kuala Lumpur and in Southern Malaysia, and frequent police reports of ethnic Chinese traffickers setting up labs in Malaysia. Nigerian and Iranian drug trafficking organizations are increasingly using Kuala Lumpur as a hub for their illegal

activities.

As of September 2009, the government had identified 1,560 new addicts and an additional 1,192 relapsed addicts. Since 1988 the Malaysian Government cumulatively has identified more than 300,000 drug addicts, and the government-linked Malaysia Crime Prevention Foundation and other NGO's estimate that there are currently some 900,000 to 1.2 million drug addicts in Malaysia. Statistics continue to show that the majority of the nation's drug addicts are between 19 and 39 years of age and have not completed high school.

III. Country Actions Against Drugs in 2009

Policy Initiatives: Malaysia continues a long-term effort launched in 2003 to reduce domestic drug use to negligible levels by 2015. Senior officials, including the Prime Minister, speak out strongly and frequently against drug abuse. The Prime Minister chairs the Cabinet Committee on Eradication of Drugs, composed of 20 government ministers. The National Anti-Drugs Agency (NADA) is the policy arm of Malaysia's counter-narcotics strategy, coordinating demand reduction efforts with various cabinet ministries. Malaysian law stipulates a mandatory death penalty for major drug traffickers, with harsh mandatory sentences also applied for possession and use of smaller quantities. In practice however, many minor offenders are placed into treatment programs instead of prison. Convictions for trafficking are rare, as they would require the defendant to receive a death sentence. Consequently, most major traffickers are placed in preventive detention. Subjects convicted of drug trafficking frequently have their sentences commuted.

Accomplishments: Malaysia authorities seized several operational methamphetamine laboratories in 2009, and had numerous other successful investigations, confiscating large quantities of methamphetamine, ketamine, and ecstasy (MDMA). Police corruption was not a serious problem during the reporting period. However, in 2009 there was at least one case of corruption among Customs officers who were facilitating smuggling of drugs into Malaysia.

Law Enforcement Efforts: Police and Customs Officers arrested 56,205 people for drug-related offenses between January and September 2009, an increase of 10.5 percent from the same period the previous year. Enforcement officials continued to show successes in ATS-related seizures and have also recorded a higher level of heroin, MDMA and methamphetamine seizures over the same period last year. The RMP aggressively seize narcotics assets. The Police reported they seized RM 40.6 million (approximately \$11.6 million) in drug-related property in the first half of 2009, versus RM 38.3 million (approximately \$10.9 million) in all of 2008. Between May and July 2009 RMP confiscated RM 22 million (approximately \$6.2 million) in assets from one drug trafficking organization.

Malaysian police are generally effective in arresting small-time drug offenders but have shown limited success in arresting upper level syndicate members. The Royal Malaysian Police have acknowledged these short comings and have begun implementing training plans to improve their investigations and procedures. Prosecutorial successes are generally of even quality with police investigations. Accordingly, Malaysian prosecutors have shown only limited success in prosecuting and convicting drug traffickers. Prosecutors are limited in their ability to charge and prosecute regular drug trafficking cases as Malaysia does not have an effective drug conspiracy law, thus limiting charging decisions against major traffickers. In addition, there are limited sentencing alternatives if a subject is charged and convicted of drug trafficking. Consequently, Malaysia police almost always use the Special Preventive Measures Act (SPMA) to arrest and detain drug traffickers. The SPMA allows for the detention without trial of suspects who pose a threat to public order or national security. The systemic use of the SPMA to arrest drug traffickers stems from the extremely high burden of proof required for a drug trafficking conviction, which would

then require a mandatory death sentence. Police and prosecutors are limited in their ability to prosecute such cases and preventive detention is therefore common. There is very limited judicial oversight for subjects arrested under preventive detention.

Corruption: As a matter of government policy, Malaysia does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. While Malaysian and foreign media organizations continued to highlight cases of government corruption both specifically and in general, no senior officials were arrested for drug-related corruption in 2008-2009.

Agreements and Treaties: Malaysia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by its 1972 Protocol, and to the 1971 UN Convention Against Psychotropic Substances. Malaysia signed an MLAT with the U.S. in July 2006. The U.S. - Malaysian MLAT went into effect in January 2009. Malaysia also has a multilateral MLAT with seven Southeast Asian nations, and an MLAT with Australia. Malaysia is a party to the ASEAN MLAT. The U.S.-Malaysia Extradition Treaty has been in effect since 1997, and in 2007 the first successful extradition was completed for Wong Wok Wing who was extradited to stand trial in the Eastern District of New York for heroin trafficking.

Cultivation/Production: While there is no notable cultivation of U.S.-listed drugs in Malaysia, local officials report significant cultivation/presence of a local plant known as ketum (*Mitragyna speciosa*) with known psychoactive properties and used for its narcotic effects throughout the region. ATS production has shown a marked increase since 2006 and Malaysian authorities admit that international drug syndicates are using Malaysia as a base of operations. Most methamphetamine and MDMA labs seized in Malaysia since 2006 were financed by ethnic Chinese traffickers from Singapore, Taiwan, Thailand, or other countries. In 2008, a lab was seized in Malaysia in which the chemists were from Mexico. In October 2009, a clandestine methamphetamine lab operated by Iranians was seized in Kuala Lumpur, and separately police seized two MDMA labs controlled by Indonesian traffickers.

Drug Flow/Transit: Drugs transiting Malaysia do not appear to make a significant impact on the U.S. market. However, Malaysia's proximity to the heroin production areas and methamphetamine labs of the Golden Triangle (Thailand, Burma, Laos) leads to smuggling across Malaysian borders, destined for Australia and other markets. Ecstasy from Amsterdam is flown into Kuala Lumpur International Airport (KLIA) for domestic use and distribution to Thailand, Singapore, and Australia. Ketamine comes from Tamil Nadu, India and is exported to several countries in the region. There is evidence of increased transit of cocaine from South America. In 2008, several Peruvian couriers and one Bolivian courier were arrested with cocaine upon arrival in Malaysia. In nearly every case the cocaine was destined for Thailand. Nigerian trafficking organizations continue to mail small quantities of cocaine from South American to Kuala Lumpur. Large scale production of ATS in Malaysia remains a significant problem. There were three large labs seized in 2007, one large lab seized in 2008, and several small labs seized in 2009. There are other cases in which traffickers sought chemicals to set up methamphetamine labs in Malaysia. In May 2009, Malaysian police seized 960 kilograms of crystal methamphetamine smuggled into the East coast of Malaysia en route to the southern part of the country.

Domestic Programs (Demand Reduction): The NADA targets its demand reduction efforts toward youth, parents, students, teachers, and workers, with extensive efforts to engage schools, student leaders, parent-teacher associations, community leaders, religious institutions, and workplaces. Statistics from the NADA indicate that as of September 2009 6,510 people, were undergoing treatment at Malaysia's 23

public rehabilitation facilities. Of these, 126 were women. Another 34,652 persons, including more than 1,000 women, were undergoing "in community" treatment and rehabilitation and are used as role models for relapse cases.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation: Overall cooperation with DEA on drug investigations is quite good. DEA sponsored a chemical diversion and clandestine lab seminar in July 2009 and an airport interdiction seminar in December 2009. U.S. counter-narcotics training continued in 2009 via the International Law Enforcement Academy (ILEA) in Bangkok and the "Baker-Mint" program sponsored by the DEA and U.S. Department of Defense. Baker-Mint aims to raise the operational skill level of local counter-narcotics law enforcement officers. In 2009, U.S. officials from the Department of Justice, DEA, and FBI presented a training workshop for Malaysian counter-narcotics investigators on intelligence analysis and other drug investigative techniques. In addition, in 2008 senior Malaysian counter-narcotics officials traveled to the United States and visited DEA Headquarters and DEA's New York Field Division in an effort to expand their international cooperative efforts.

Road Ahead. United States goals and objectives for the year 2010 are to improve coordination and communication between Malaysian and U.S. law enforcement authorities in counter-narcotics efforts. United States law enforcement agencies will utilize better coordination with Malaysian authorities to interdict drugs transiting Malaysia, and to follow regional and global leads. U.S.-funded counter-narcotics training for Malaysian law enforcement officers will continue and U.S. agencies will continue working with Malaysian authorities to improve Malaysia's investigative and prosecutorial processes. U.S. agencies are also seeking additional operational engagement of Malaysian counter-narcotics officials who have expressed an interest in greater regional cooperation.

END TEXT.

12. POC for this report is Political Officer Greg Chapman, chapmangd@state.gov.
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